BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition by Verizon Florida, Inc. to Reform Intrastate Network Access and Basic Local Telecommunications Rates in Accordance with Section 364.164, Florida Statutes. Docket No. 030867-TL

In re: Petition by Sprint-Florida, Incorporated to Reduce Intrastate Switched Network Access Rates to Interstate Parity in Revenue - Neutral Manner Pursuant to Section 364.164(1), Florida Statutes.

Docket No. 030868 - TL

In re: Petition for Implementation of Section 364.164, Florida Statutes, by Rebalancing Rates in a Revenue - Neutral Manner Through Decreases In Intrastate Switched Access Charges With Offsetting Rate Adjustments for Basic Services, By BellSouth Telecommunications, Inc.

Docket No. 030869-TL

In re: Flow-through of the LEC switched access reductions by IXCs, pursuant to Section 364.163(2), Florida Statutes.

Docket No. 030961-TI

AARP'S NOTICE OF SUPPLEMENTAL AUTHORITY

AARP gives notice of filing the article "Verizon CFO: Co Expects To Win Back Residential Customers," *Dow Jones Newswires, September 9, 2004* (copy attached hereto) as supplemental authority in support of its Motion for Evidentiary Hearing and Modification of Commission Orders Nos. PSC-03-1469-FOF-TL and PSC-04-0456-FOF-TL On The Basis Of Significantly Changed Circumstances And Public Need filed

I 0480 SEP 28 #

September 8, 2004.

The "Verizon CFO: Co Expects To Win Back Residential Customers" article is pertinent to AARP's arguments in the above-described motion that enhanced local service competition is "highly improbable, if not possible," as a result of significantly changed circumstances occurring after the entry of the final order of the D.C. Circuit Court of Appeal in which the Court reversed the Federal Communications Commission's Triennial Review Order requiring low-cost UNE-P rates in the case of United States Telecom Ass'n v. Federal Communications Commission, 359 F.3d 554 (D.C. Cir. 2004), as well as the publicly reported decision of AT&T to abandon its efforts to compete for (1) local service telephone customers and (2) residential long distance customers, and the publicly reported decisions of MCI and Sprint to quit marketing their competitive residential local service products. The supplemental authority is particularly pertinent because it appears to suggest not only that local service competition is not being enhanced, but also that it is, in fact, declining, at least in Verizon's service territories:

NEW YORK (Dow Jones)—Verizon Communications (VZ) has seen a "marked decrease" in the number of residential phone lines leased to competitors since a change in federal rules favoring Baby Bells, according to its finance chief.

The change prompted AT&T Corp. (T) to stop competing for residential phone customers and has given Verizon the opportunity to win back many of its former customers.

DATED this Way of September, 2004.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I CERTIFY that a true and correct copy of the foregoing has been furnished

by United States mail to the following on this 2 day of September, 2004:

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Verizon CFO: Co Expects To Win Back Residential Customers

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NEW YORK (Dow Jones)--<u>Verizon Communications</u> (VZ) has seen a "marked decrease" in the number of residential phone lines leased to competitors since a change in federal rules favoring Baby Bells, according to its finance chief.

The change prompted <u>AT&T Corp.</u> (T) to stop competing for residential phone customers and has given <u>Verizon</u> the opportunity to win back many of its former customers.

Doreen Toben, <u>Verizon's</u> chief financial officer, said the company has stepped up its marketing efforts, particularly in the New York and Boston areas.

"We're having a healthy debate on how to estimate upside," she told attendees at a Morgan Stanley investment conference in Washington, D.C., but "it's still too early to tell."

Toben also said Verizon remains firmly committed to its fiber initiative.

The company has been plowing ahead with an ambitious plan to roll out fiber to the home. It has said it will spend \$2.5 billion to run fiber to more than three million homes by the end of next year. One million homes are expected to get access by the end of 2004, at a cost of \$800 million.

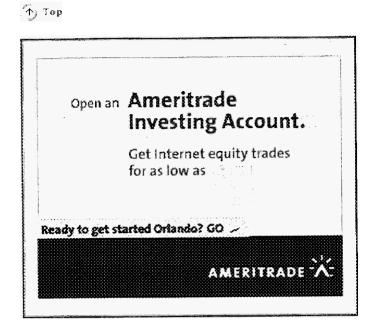
"I know investors want more information than we've disclosed...," Toben said, explaining that she couldn't disclose more information yet "because we really are in the early stages of these projects."

-By Ellen Sheng, Dow Jones Newswires; 201-938-5863; ellen.sheng@dowjones.com

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